Enquiry into CRB Scam

1564. SHRI CHITTA BASU : Will the Minister of FINANCE be pleased to state :

(a) whether the inquiry into the CRB Capital Markets Ltd. is progressing satisfactorily;

(b) if so, the time by which the report likely to be available with the Government;

(c) whether monitoring of inquiry is being done; and

(d) if so, the agency/agencies thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ) : (a) to (d) The main activities of CRB Capital Markets Ltd. (CRBCML) were hire purchase, leasing finance and merchant banking. A complaint was received in December, 1996 by Reserve Bank of India (RBI) from Tourism Finance Corporation of India Ltd. regarding default of repayment of deposits by CRB Capital Markets Ltd. Global Trust Bank Ltd. has also reported to RBI in March, 1997 about development of Letter Credit opened by a group Company. Further, CRBCML fraudulently overdrew its accounts with the State Bank of India, Mumbai Main Branch (MMB) for payment of interest warrants, deposit refunds and brokerage warrants by an amount of over Rs. 58 crores. Keeping in view the findings of the inspection carried out by RBI between November, 1996 to January, 1997 and the subsequent developments, especially relating to the SBI, the RBI issued prohibitory orders in April, 1997 under section 45MB(1) & (2) directing the company not to accept any further deposits and not to alienate any assets without prior permission of RBI. RBI filed a winding up petition in the Delhi High Court under section 45 MC of the RBI Act on 21.5.1997. A provisional Liquidator has been appointed by Delhi High Court. The Liquidator has initiated action to crystallize the assets and liabilities of the company.

In view of these developments, the Government has asked the regulators, i.e. RBI and Securities and Exchange Board of India (SEBI) to undertake a thorough internal review of the regulatory actions in regard to these companies to see if there have been any lapses in application of regulations to CRB group of companies or in responding to warning signals, so that these deficiencies can be corrected. Government has also advised the State Bank of India to ascertain whether there was any internal failure to act on early warning singnals emanating from the defaults in the payment arrangements with CRB Capital Markets Ltd. At the operative level an inter-departmental group comprising representatives of Central Bureau of Investi-gation (CBI), RBI, SEBI, and the State Government has been constituted to ensure concerted action. RBI has also issued detailed instructions to banks prescribing the procedural safeguards to be taken into account while providing "at par" payment facilities to companies."

In so far as the criminal investigation and other legal proceedigs are concerned, it is not possible at this juncture to fix any definite time frame for their completion.

Facilities Provided to Handicapped Persons

1565. DR. RAM VILAS VEDANTI :

SHRI SOHANVEER SINGH :

Will the Minister of FINANCE be pleased to state:

(a) the facilities being provided to handicapped employees in various departments under his Ministry; and

(b) the number of handicapped youths appointed under Ministry during the last three years?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ) : (a) and (b) The information is being collected and will be laid on the Table of the House.

Production of Silk

1566. SHRI SOHANVEER SINGH : Will the Minister of TEXTILES be pleased to state:

(a) the target fixed for production of silk in the country during the Eighth Five Year Plan;

(b) the quantum of silk produced during the above period;

(c) whether the Government have taken any concrete steps to boost the production of silk; and

(d) if so, the details thereof ?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA): (a) A target to produce 21,400 tonnes of raw silk per annum was fixed for VIIIth Plan Period.

(b) The production of raw silk during the 1996-97 was 14,093 tonnes (provisional).

(c) and (d) In order to supplement the efforts of the State Sericulture Departments, the Central Silk Boards (CSB) is implementing a number of schemes/projects/programmes for promoting development of all the four types of silk. These include schemes for extension of R&D, training, infrastructural & extension support to the sector through network of CSB's units & implementation of certain developmental/incentive financial assistance schemes for encouraging adoption of modern sericultural practices for production of quality silk. Besides, the Central Silk Board has also taken up sericulture projects like World Bank assisted National Sericulture Project. (covering 17 States), Action Plan for seven States of North-Eastern Region etc. in association/collaboration with the States.

Purchase Centres of JCI

1567. SHRI AMAR ROY PRADHAN : Will the Minister of TEXTILES be pleased to state :

(a) whether inspite of persistent requests from the Members of Parliament for the last number of years, the jute